



e-mail: sam@shad.reno.nv.us

CGB-CC-0061

December 12, 2005

Commission's Secretary
Office of the Secretary
Federal Communications Commission
Attn: CGB Room 3-B431
445 12th Street, SW
Washington, DC 20554

RE: Waiver request for closed caption undue burden

Dear Commission's Secretary:

I am writing this letter to petition for a waiver from closed captioning based on the undue burden standard in 47 U.S.C. § 79.1(d)(2) for the Nevada Newsmakers Show which airs statewide.

Sam Shad Productions is an advertising agency that has ventured into producing television programs. We are a small corporation with gross receipts totaling under \$900,000 for 2004 and under \$800,000 for 2003 and 2002 and a loss taken in 2003 and 2002. Enclosed please find the tax returns for the last 3 years.

The Nevada Newsmaker program began airing in August, 2002 with 16 programs airing per month. Our advertisers pay a per show dollar amount which covers the taping of the show, talent appearing and a portion of the television cost built in. Due to the political nature of this program, it is very difficult to keep advertisers monthly depending on the time of the year and has a very limited advertiser base. We feel that the closed captioning cost would be a huge burden due to the show not turning a huge profit the whole time it has been on the air.

With each new venture of creating a new program, we have found that advertisers are only willing to pay a certain amount. We are afraid that the cost of closed captioning will shut down our programs before we can begin.

The above show barely helps finance the corporation's overhead costs. We estimate that contracting with an outside source for closed captioning will be an additional \$8,000/month. We are unable to afford this at this time, however, we will constantly strive to find additional ways to relieve the undue burden of closed captioning.

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In addition to our request based upon the undue burden standard, Sam Shad Productions argues that the Nevada Newsmakers program is exempt from captioning under 47 U.S.C. §79.1(d)(11) because captioning expenses would exceed 2 percent of gross revenues. In 2004, we received \$900,000 in gross receipts. If our company paid the \$8,000 per month to caption the program, this expense would amount to twelve percent of our annual receipts.

We request an exemption from closed captioning for the above stated reasons. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Samuel M. Shad". The signature is written in a cursive style with a horizontal line underneath the name.

Samuel M. Shad
President

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.
 See separate instructions.

For calendar year 2002, or tax year beginning 2002, and ending

A Effective date of election as an S corporation 01/01/96	Use IRS label. Otherwise, print or type.	Name BONSAM, INC.	C Employer identification number [REDACTED]
B Business code no (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions) P.O. BOX 10853	D Date incorporated 01/01/96
		City or town State ZIP code RENO NV 89510	E Total assets (see instructions) \$ 155,948.

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter number of shareholders in the corporation at end of the tax year **2**

Caution: Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1a Gross receipts or sales	751,775.	b Less returns and allowances		c Bal	1c	751,775.
	2 Cost of goods sold (Schedule A, line 8)					2	550,543.
	3 Gross profit. Subtract line 2 from line 1c					3	201,232.
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5					6	201,232.
D E D U C T I O N S	7 Compensation of officers					7	40,000.
	8 Salaries and wages (less employment credits)					8	
	9 Repairs and maintenance					9	
	10 Bad debts					10	
	11 Rents					11	48,000.
	12 Taxes and licenses					12	3,910.
	13 Interest					13	2,860.
	14a Depreciation (if required, attach Form 4562)		14a	2,845.			
	b Depreciation claimed on Schedule A and elsewhere on return		14b				
	c Subtract line 14b from line 14a				14c		2,845.
	15 Depletion (Do not deduct oil and gas depletion.)				15		
	16 Advertising				16		
	17 Pension, profit-sharing, etc., plans				17		1,200.
	18 Employee benefit programs				18		
	19 Other deductions (attach schedule) See Other Deductions.				19		77,755.
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19				20		176,570.	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6				21		24,662.	
T A X A N D P A Y M E N T S	22 Tax: a Excess net passive income tax (attach schedule)		22a				
	b Tax from Schedule D (Form 1120S)		22b				
	c Add lines 22a and 22b (see instructions for additional taxes)				22c		
	23 Payments: a 2002 estimated tax payments and amount applied from 2001 return		23a				
	b Tax deposited with Form 7004		23b				
	c Credit for Federal tax paid on fuels (attach Form 4136)		23c				
	d Add lines 23a through 23c				23d		
	24 Estimated tax penalty. Check if line 23d is less than line 22c <input type="checkbox"/>				24		
25 Tax due. If line 23d is less than line 24, enter amount owed. See instructions for depository method of payment				25			
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				26			
27 Enter amount of line 26 you want: Credited to 2003 estimated tax Refunded				27			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature **Gene H. Clawson** Date **03/03/03** Check if self-employed ☒ Preparer's SSN or PTIN [REDACTED]

Firm's name (or yours if self-employed) **GENE H. CLAWSON, CPA** EIN [REDACTED]

Address and ZIP code **1755 E. PLUMB #100 RENO NV 89502** Phone no. **(775) 322-6626**

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

► Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.
► See separate instructions.

OMB No. 1545-0130

2003

For calendar year 2003, or tax year beginning , 2003, and ending

A Effective date of election as an S corporation 01/01/96	Use the IRS label. Otherwise, print or type.	Name BONSAM, INC.		C Employer identification number [REDACTED]
B Business code number (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions) P.O. BOX 10853		D Date incorporated 01/01/96
		City or town RENO	State ZIP code NV 89510	E Total assets (see instructions) \$ 108,511.

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter number of shareholders in the corporation at end of the tax year 1

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME	1a Gross receipts or sales	723,421.	b Less returns and allowances		c Bal	1c	723,421.
	2 Cost of goods sold (Schedule A, line 8)					2	631,217.
	3 Gross profit. Subtract line 2 from line 1c					3	92,204.
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule) ... See Other Income (Loss)					5	8,448.
	6 Total income (loss). Add lines 3 through 5					6	100,652.
DEDUCTIONS	7 Compensation of officers					7	40,000.
	8 Salaries and wages (less employment credits)					8	
	9 Repairs and maintenance					9	7,809.
	10 Bad debts					10	4,380.
	11 Rents					11	8,990.
	12 Taxes and licenses					12	4,551.
	13 Interest					13	7,101.
	14a Depreciation (Attach Form 4562)	14a	2,780.				
	b Depreciation claimed on Schedule A and elsewhere on return	14b					
	c Subtract line 14b from line 14a			14c	2,780.		
	15 Depletion (Do not deduct oil and gas depletion.)					15	
16 Advertising					16		
17 Pension, profit-sharing, etc. plans					17	1,200.	
18 Employee benefit programs					18		
19 Other deductions (attach schedule) ... See Other Deductions					19	73,447.	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					20	150,258.	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6					21	-49,606.	
TAX AND PAYMENTS	22 Tax: a Excess net passive income tax (attach schedule)	22a					
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see instructions for additional taxes)				22c		
	23 Payments: a 2003 estimated tax payments and amount applied from 2002 return	23a					
	b Tax deposited with Form 7004	23b					
	c Credit for Federal tax paid on fuels (attach Form 4199)	23c					
	d Add lines 23a through 23c				23d		
24 Estimated tax penalty (See instructions). Check if Form 2220 is attached					24		
25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed					25		
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26		
27 Enter amount of line 26 you want: Credited to 2004 estimated tax ... Refunded					27		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)?

☐ Yes☐ No

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP code

GENE H. CLAWSON, CPA
1755 E. PLUMB #100
RENO

Date

03/15/04

Check if self-employed ☒

Preparer's SSN or PTIN

EIN

Phone no. (775) 322-6626

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

▶ Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.
▶ See separate instructions.

OMB No. 1545-0130

2004

For calendar year 2004, or tax year beginning , 2004, and ending

A Effective date of S election 01/01/96	Use the IRS label. Otherwise, print or type.	Name BONSAM, INC.	C Employer identification number [REDACTED]
B Business code number (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions.) P.O. BOX 10853	D Date incorporated 01/01/96
		City or town, state, and ZIP code RENO NV 89510	E Total assets (see instructions) \$ 228,461.

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter number of shareholders in the corporation at end of the tax year 1

Caution: Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME	1a Gross receipts or sales	865,626.	b Less returns and allowances		c Bal ▶	1c	865,626.
	2 Cost of goods sold (Schedule A, line 8)					2	775,719.
	3 Gross profit. Subtract line 2 from line 1c					3	89,907.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Add lines 3 through 5					6	89,907.
DEDUCTIONS	7 Compensation of officers					7	40,000.
	8 Salaries and wages (less employment credits)					8	
	9 Repairs and maintenance					9	4,624.
	10 Bad debts					10	1,392.
	11 Rents					11	7,814.
	12 Taxes and licenses					12	4,504.
	13 Interest					13	28,566.
	14a Depreciation (attach Form 4562)	14a	3,211.				
	b Depreciation claimed on Schedule A and elsewhere on return	14b					
	c Subtract line 14b from line 14a				14c	3,211.	
	15 Depletion (Do not deduct oil and gas depletion.)				15		
	16 Advertising				16		
	17 Pension, profit-sharing, etc, plans				17		
	18 Employee benefit programs				18	1,200.	
	19 Other deductions (attach schedule) * STMT				19	82,153.	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19				20	173,464.		
21 Ordinary business income (loss). Subtract line 20 from line 6				21	-83,557.		
TAX AND PAYMENTS	22 Tax: a Excess net passive income tax (attach schedule)	22a					
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see instructions for additional taxes)				22c		
	23 Payments: a 2004 estimated tax payments and amount paid from 2003 return	23a					
	b Tax deposited with Form 706	23b					
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c					
	d Add lines 23a through 23c				23d		
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached				24		
	25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed				25		
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				26		
27 Enter amount of line 26 you want: Credited to 2005 estimated tax				27			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)?

☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP code

GENE H. CLAWSON, CPA
1755 E. PLUMB #100
RENO NV 89502

Date

03/04/05

Check if self-employed

Preparer's SSN or PTIN

EIN

Phone no. (775) 322-6626

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SPSA0112 08/04/04

Form 1120S (2004)

RECEIVED & INDEXED
JUL 31 2006
FCC - MAILROOM

I Samuel M Shad due solemnly swear that the written statement of facts I provided are true and correct to the best of my knowledge before a notary public. I swear to the truth and accuracy of the statement contained in the affidavit.

State of Nevada

County of Washoe

Signed and sworn to (or affirmed) before me on 7/5/06 (date) by
SAMUEL M SHAD (name(s) of person(s) making
statement)

Samuel M. Shad

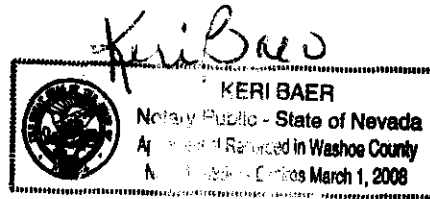
Notary Public

Title (and Rank): Notary

Printed Name: Keri Baer

My Commission Expires:

3/1/08



FOR REFERENCE: CGB-CC-0061
SAM SHAD PRODUCTIONS

EXEMPTION FROM THE CLOSED CAPTIONING REQUIREMENTS FOR ITS
PROGRAM "NEVADA NEWSMAKERS" BASED ON THE UNDUE BURDEN
STANDARD SET FORTH IN THE COMMISSION'S RULE.



Federal Communications Commission
Washington, D.C. 20554

January 25, 2006

Reference: CGB-CC-0061

Sam Shad Productions
Samuel M. Shad
P.O. Box 10853
Reno, NV 89510

Dear Mr. Shad,

The Federal Communications Commission received the petition you filed on behalf of Sam Shad Productions, dated December 12, 2005, seeking an exemption from the closed captioning requirements for its program "Nevada Newsmakers" based on the undue burden standard set forth in the Commission's rules.

The petition states that Sam Shad Productions, and its program "Nevada Newsmakers", should be exempt from the closed captioning rules pursuant to Section 79.1(d)(11) which exempts "captioning expense in excess of 2 percent of gross revenues." This self implementing exemption states, "[n]o video programming provider shall be required to expend any money to caption any video programming if such expenditure would exceed 2 percent of the gross revenues received from that channel during the previous calendar year." You state that you believe captioning would constitute a cost equal to 12% of your annual receipts. We note that this exemption is applicable on a *per-channel basis*, as opposed to applying to individual program providers. In addition, for providers whose programming is exempt under Section 79.1(d)(11), they must expend an amount up to 2% of their gross revenues on closed captioning.

Without addressing the merits of your petition based on the undue burden standard, we note that the petition is incomplete because your petition must be, but is not, supported by affidavit. Without this documentation, which is required under the Commission's rules, it is impossible for the Commission to determine whether Sam Shad Productions has sufficiently justified an exemption from the closed captioning requirements based on the undue burden standard for its program "Nevada Newsmakers."

We request that you promptly supplement the petition with the requested documentation. To assist you in supplementing your petition, enclosed is a copy of the Commission rule governing the filing and processing of petitions for exemption from the closed captioning requirements. Additional information also is available on the web at www.fcc.gov/cgb/dro/caption_exemptions.html.

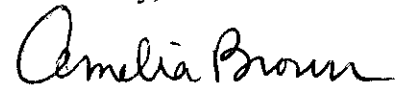
Please note that your petition remains pending. Pursuant to the Commission's rules, while your petition is pending before the Commission, the video programming that is the subject of the petition is considered exempt from the closed captioning requirements.

Please include the case identifier number CGB-CC-0061 in all correspondence with the Commission regarding this matter. Please send an original and two copies of the supplementary material to

Amelia Brown, Disability Rights Office
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Please follow the directions found on the above website for mailing or delivering materials to the Commission. Any inquiries regarding this matter should be directed to Amelia Brown at (202) 418-2799 (voice), (202) 418-7804 (TTY), or Amelia.Brown@fcc.gov. Please refer to the case identifier number in any email correspondence or phone conversations with Commission staff.

Sincerely,

A handwritten signature in cursive script that reads "Amelia Brown".

Amelia Brown
Senior Attorney
Disability Rights Office
Consumer & Governmental
Affairs Bureau